

51.7232
72NCB
987

STATE DOCUMENTS COLLECTION

DEC 16 1961

MONTANA STATE LIBRARY
1515 E. GOV. AVE.
HELENA, MONTANA 59620

STATE OF MONTANA
MONTANA COAL BOARD

DEPARTMENT OF COMMERCE
AUDIT OF COAL BOARD GRANTS

Conducted Under Contract By
Anderson ZurMuehlen & Co., P.C.

PLEASE RETURN

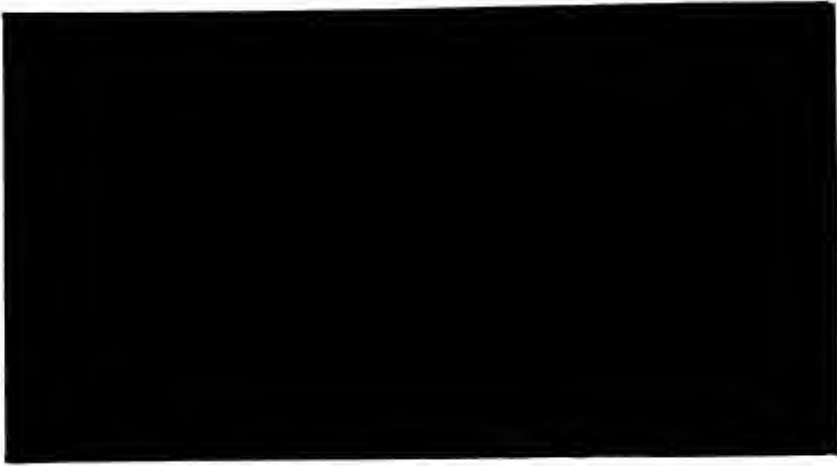


MONT.
1515 E. GOV. AVE.
HELENA, MONTANA 59620

OFFICE OF THE LEGISLATIVE AUDITOR

STATE OF MONTANA
STATE CAPITOL • HELENA

3 0864 1004 7568 3



STATE OF MONTANA
MONTANA COAL BOARD

DEPARTMENT OF COMMERCE
AUDIT OF COAL BOARD GRANTS

Conducted Under Contract By
Anderson ZurMuehlen & Co., P.C.

STATE OF MONTANA

Office of the Legislative Auditor

STATE CAPITOL
HELENA, MONTANA 59620
406/444-3122



SCOTT A. SEACAT
LEGISLATIVE AUDITOR

January 1987

DEPUTY LEGISLATIVE AUDITORS:

JAMES GILLET
FINANCIAL COMPLIANCE AUDITS

JIM PELLEGRINI
PERFORMANCE AUDITS

LEGAL COUNSEL:

JOHN W. NORTHEY

The Legislative Audit Committee
of the Montana State Legislature:

Enclosed is the report on the audit of various Coal Board Grants.

The audit was conducted by Anderson ZurMuehlen and Company under a contract between the firm and our office. The comments and recommendations contained in this report represent the views of the firm and not necessarily the Legislative Auditor.

The agency's written response to the report recommendations is included in the back of the audit report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Scott A. Seacat", with a large, sweeping flourish extending to the right.

Scott A. Seacat
Legislative Auditor

TABLE OF CONTENTS

	<u>Page</u>
Appointive and Administrative Officials	iii
Summary of Recommendations	iv
Introduction	1
Background	1
Comments and Recommendations	2
Summary - General Conditions	8
Prior Recommendations	8
Accountant's Report, Financial Statements and Footnotes	
Colstrip School District	
Grant No. 0002 Elementary School Bond Payments	9
Colstrip School District	
Grant No. 0003 High School Bond Payments	12
City of Forsyth	
Grant No. 0180 Sewer Lagoon	15
Lodge Grass School District	
Grant No. 0210 Elementary Classroom Construction	18
Miles Community College	
Grant No. 0226 Colstrip Community College Program	21
Lodge Grass School District	
Grant No. 0233 High School Vo-Ed Center	24
City of Forsyth	
Grant No. 0237 Water Mains	27
County of Daniels	
Grant No. 0241 Water Monitoring Program	30
Northern Cheyenne Tribe	
Grant No. 0243 Community Center	34
County of Treasure	
Grant No. 0256 Motor Grader	37
County of Yellowstone	
Grant No. 257 County Jail	40
County of Big Horn	
Grant No. 0260 Community Center	43
County of Rosebud	
Grant No. 0261 Conservation District Water Monitoring	46
County of Big Horn	
Grant No. 0263 County Shop Facility	49
County of Big Horn	
Grant No. 0264 Chemical Abuse and Treatment Program	52
County of Yellowstone	
Grant No. 0266 Rainbow House	57

TABLE OF CONTENTS (Continued)

	<u>Page</u>
Lame Deer School District	
Grant No. 0268 Heating System and Teacher Housing	60
Birney School District	
Grant No. 0269 Library/Kindergarten	63
County of Powder River	
Grant No. 0272 Comprehensive Impact Plan	66
County of Yellowstone	
Grant No. 0279 Eastern Counties Task Force	69
Northern Cheyenne Tribe	
Grant No. 0280 Impact Plan	74
Montana State University	
Grant No. 0281 Hay Production Assessment Study	78
County of Flathead	
Grant No. 0282 Cabin Creek Mine Study	82
County of Richland	
Grant No. 0283 Savage Multi-Purpose Building	85
Grantee responses	88
Agency responses	104

APPOINTIVE AND ADMINISTRATIVE OFFICIALS
MONTANA COAL BOARD

		Term Expires
Hershell Robbins, Chairman	Roundup	1989
Nell Kubesh	Glendive	1989
Darcy Galasso	Butte	1989
Jack Stevens	Great Falls	1989
Paul Palm	Hardin	1987
Monty Long	Kalispell	1987
Dr. Dale Tash	Dillon	1987

ADMINISTRATIVE OFFICIAL

Murdo Campbell	Administrative Officer
Bill Schweven	Project Evaluator
Mary Wright	Secretary

SUMMARY OF RECOMMENDATIONS

This listing serves to summarize the recommendations contained in the report as well as the Montana Coal Board's reply; and, also as a ready reference to the supporting comments. The complete replies of the Montana Coal Board and grant recipients are included in the back of this report.

RECOMMENDATION NO. 1

We recommend the grantees account for future Coal Board grants separately by using a special revenue fund as required by the Coal Board.

Agency Reply: Concurs

RECOMMENDATION NO. 2

We recommend the grantee establish procedures to insure that all claims submitted for payment have proper approval prior to payment. Approval should be written.

Agency Reply: Concurs

RECOMMENDATION NO. 3

We recommend the grantee account for each Coal Board grant awarded in a separate revenue fund.

Agency Reply: Concurs

RECOMMENDATION NO. 4

We recommend the Coal Board amend grant No. 0268 to delete the 'attachment'.

Agency Reply: Concurs

RECOMMENDATION NO. 5

We recommend the grantee comply with grant reporting provisions. We also recommend the Coal Board enforce grant reporting provisions by requiring the receipt of each report prior to disbursement of funds.

Agency Reply: Concurs

SUMMARY OF RECOMMENDATIONS (continued)

RECOMMENDATION NO. 6

We recommend grantees comply with grant reporting provisions. We also recommend the Coal Board require grantees to submit a budget-to-actual cost analysis with each payment request. Payments should be withheld until receipt of such report.

Agency Reply: Concur

RECOMMENDATION NO. 7

We recommend the grantee comply with grant provisions for requesting funds by submitting monthly billings to the Coal Board of actual costs incurred with each request for payment. We recommend the Coal Board amend grant Nos. 0241, 0279 and 0264 to reflect the actual method of 'pre-funding' used by the Coal Board.

Agency Reply: Concur

RECOMMENDATION NO. 8

We recommend the grantee file completion reports only when the entire grant has been expended. Any unexpended funds should be refunded to the Coal Board.

Agency Reply: Concur

RECOMMENDATION NO. 9

We recommend the grantees account for future Coal Board grants separately from other project funds.

Agency Reply: Concur

RECOMMENDATION NO. 10

We recommend the grantee obtain written approval from the Coal Board to support any changes made to the original grant. We also recommend the Coal Board amend Grant No. 0180 to reflect the change in the funds used for each phase of the project.

Agency Reply: Concur

SUMMARY OF RECOMMENDATIONS (continued)

RECOMMENDATION NO. 11

We recommend the Coal Board review all completed grant files to insure all required reports have been received.

Agency Reply: Concurs

RECOMMENDATION NO. 12

We recommend completed grants be contracted for audit as soon as possible after the completion date.

Agency Reply: Concurs

RECOMMENDATION NO. 13

We recommend the Coal Board establish a file 'checklist' of all documents required for the project. This 'checklist' should be monitored to insure that project files are complete.

Agency Reply: Concurs

RECOMMENDATION NO. 14

We recommend the total grant awarded include amounts carried over from prior grants and the carryover amount be specified on the disbursement schedule.

Agency Reply: Concurs

INTRODUCTION

We performed a financial/compliance audit of the Montana Coal Board for the Coal Board grants listed in the table of contents.

The objectives of the audit were to: (1) determine if the grants' financial statements present fairly their financial position and results of operations for the various grant periods; (2) determine if the Board and the grantees complied with applicable laws and regulations in administering the grants; and (3) make recommendations for improvement in the controls over and administration of the Coal Board grants.

BACKGROUND

The Montana Coal Board was established in 1975 by the Montana Legislature to award grants to local governmental units and state agencies "...in meeting the local impact of coal development by enabling them to adequately provide governmental services and facilities which are needed as a direct consequence of coal development." (Sect. 90-6-205. MCA)

The Coal Board is composed of seven members, two of whom are residents of coal impacted areas, two with expertise in education, and three from such fields as business, engineering, public administration and planning.

Coal Board grants are funded by seven-fifteenths of the Coal Severance Tax revenue paid into the local impact and education trust fund. There are 24 grants covered by this report, totalling \$10,778,230.

The administrative staff of the Coal Board, which is assigned to the Department of Commerce for administrative purposes, is composed of an administrative officer, project evaluator and administrative secretary.

COMMENTS AND RECOMMENDATIONS

We have examined the financial statements of the grantees of the Montana Coal Board, Department of Commerce as listed in the table of contents, and have issued our reports thereon dated December 3, 1986. As part of our examination we made a study and evaluation of the Board's and the grantees' systems of internal accounting control to the extent we considered necessary to evaluate the systems as required by generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on each grant's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the systems of internal accounting control taken as a whole.

The Coal Board and the grantees are responsible for establishing and maintaining systems of internal accounting control. In fulfilling this responsibility, estimates and judgments by the Board and the grantees are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide the Board and the grantees with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with the Board's and grantee's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

The internal control reviews of the Coal Board and the grantees were limited to tests of controls over grant awards, grant disbursements, compliance with Board policies and grant requirements, and grantee receipts and disbursements. We did not review or test accounting controls of the Department of Commerce, grantee accounting controls beyond those related to the receipts and disbursements of Coal Board grant funds, or Coal Board compliance with applicable laws and regulations in awarding grants. Our study and evaluations made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the systems. Accordingly, we do not express an opinion on the systems of internal accounting control of the Montana Coal Board and the individual grantees taken as a whole.

COMMENTS AND RECOMMENDATIONS (Continued)

However, our study and evaluation disclosed the following conditions that we believe result in more than a relatively low risk that errors or irregularities in amounts that would be material in relation to the financial statements of each of the grants may occur and not be detected within a timely period.

RECOMMENDATION NO. 1

COUNTY OF POWDER RIVER

GRANT NO. 0272 COMPREHENSIVE IMPACT PLAN

COUNTY OF ROSEBUD

GRANT NO. 0261 CONSERVATION DISTRICT WATER MONITORING

These grantees did not use a special revenue fund for these grants but accounted for them in their general funds.

We recommend the grantees account for future Coal Board grants separately by using a special revenue fund as required by the Coal Board.

RECOMMENDATION NO. 2

COUNTY OF BIG HORN

GRANT NO. 0264 CHEMICAL ABUSE AND TREATMENT PROGRAM

During our review of project expenditures we noted several claims which were not approved prior to payment.

We recommend the grantee establish procedures to insure that all claims submitted for payment have proper approval prior to payment. Approval should be written.

RECOMMENDATION NO. 3

COUNTY OF TREASURE

GRANT NO. 0256 MOTOR GRADER

The County accounted for grant No. 0256 and a prior Coal Board grant in one fund. The records included activity from both grants.

We recommend the grantee account for each Coal Board grant awarded in a separate revenue fund.

COMMENTS AND RECOMMENDATIONS (Continued)

RECOMMENDATION NO. 4

LAME DEER SCHOOL DISTRICT

GRANT NO. 0268 HEATING SYSTEM AND TEACHER HOUSING

This grant included an 'attachment' to the original contract allowing the Coal Board to treat a portion of the grant as a loan to the School District, provided successful passage and approval by legislature was obtained to allow the school district to enter into such an agreement. Approval by legislature was not obtained, but the 'attachment' was not modified or deleted from the grant.

We recommend the Coal Board amend grant No. 0268 to delete the 'attachment'.

RECOMMENDATION NO. 5

COLSTRIP SCHOOL DISTRICT

GRANT NO. 0002 ELEMENTARY SCHOOL BOND PAYMENTS

GRANT NO. 0003 HIGH SCHOOL BOND PAYMENTS

These grants specified that the Coal Board was to receive a report verifying the issuance of payment to the bonding company. No reports were filed with the Coal Board.

We recommend the grantee comply with grant reporting provisions. Required reports should be filed with the Coal Board on a timely basis.

We also recommend the Coal Board enforce grant reporting provisions by requiring the receipt of each report prior to disbursement of funds.

RECOMMENDATION NO. 6

COUNTY OF RICHLAND

GRANT NO. 0283 SAVAGE MULTI-PURPOSE BUILDING

COUNTY OF FLATHEAD

GRANT NO. 0282 CABIN CREEK MINE STUDY

NORTHERN CHEYENNE TRIBE

GRANT NO. 0243 COMMUNITY CENTER

CITY OF BILLINGS

GRANT NO. 0279 EASTERN COAL COUNTIES TASK FORCE

COUNTY OF BIG HORN

GRANT NO. 0263 ROAD DEPARTMENT SHOP

COUNTY OF YELLOWSTONE

COMMENTS AND RECOMMENDATIONS (Continued)

RECOMMENDATION NO. 6 (continued)

GRANT NO. 0266 RAINBOW HOUSE
COUNTY OF DANIELS
GRANT NO. 0241 WATER MONITORING PROGRAM
COUNTY OF POWDER RIVER
GRANT NO. 0272 COMPREHENSIVE IMPACT PLAN

These grantees did not monitor and notify the Coal Board when project costs varied from the budget by greater than 10%.

We recommend grantees comply with grant reporting provisions. Required reports should be filed with the Coal Board on a timely basis.

We also recommend the Coal Board require grantees to submit a budget-to-actual cost analysis with each payment request. Payments should be withheld until receipt of such report.

RECOMMENDATION NO. 7

COUNTY OF DANIELS
GRANT NO. 0241 WATER MONITORING PROGRAM
CITY OF BILLINGS
GRANT NO. 0279 EASTERN COAL COUNTIES TASK FORCE
COUNTY OF BIG HORN

GRANT NO. 0264 CHEMICAL ABUSE AND TREATMENT PROGRAM
These grants specified grant fund to be advanced on a cost incurred basis through monthly billings to the Coal Board. We found that the funds were advanced to the grantees prior to their expenditures for applicable program purposes.

We recommend the grantees comply with grant provisions for requesting funds by submitting monthly billings to the Coal Board of actual costs incurred with each request for payment.

We recommend the Coal Board amend grant Nos. 0241, 0279 and 264 to reflect the actual method of 'pre-funding' used by the Coal Board.

COMMENTS AND RECOMMENDATIONS (Continued)

RECOMMENDATION NO. 8

COUNTY OF DANIELS

GRANT NO. 0241 WATER MONITORING PROGRAM

A completion report was filed by the grantee prior to disbursing all project funds.

We recommend the grantee file completion reports only when the entire grant has been expended. Any unexpended funds should be refunded to the Coal Board.

RECOMMENDATION NO. 9

COUNTY OF YELLOWSTONE

GRANT NO. 0257 COUNTY JAIL

GRANT NO. 0266 RAINBOW HOUSE

COUNTY OF BIG HORN

GRANT NO. 0263 ROAD DEPARTMENT SHOP

LODGE GRASS SCHOOL DISTRICT

GRANT NO. 0210 ELEMENTARY CLASSROOM CONSTRUCTION

GRANT NO. 0233 HIGH SCHOOL VO-ED CENTER

CITY OF FORSYTH

GRANT NO. 0237 WATER MAINS

The grantees accounted for each project in a special revenue fund; however, Coal Board funds pertaining to the project were not segregated from other project funds as required by the Coal Board.

We recommend the grantees account for future Coal Board grants separately from other project funds.

RECOMMENDATION NO. 10

CITY OF FORSYTH

GRANT NO. 0180 SEWER LAGOON

This grant provided funding to replace the sanitary sewer main, lift station and lateral lines for the City of Forsyth. The grant earmarked the funds to be spent on each phase of the project. Although the total amount spent on the project was less than the original grant, the costs on one phase exceeded the amount allocated by the grant.

COMMENTS AND RECOMMENDATIONS (Continued)

Recommendation No. 10 (Continued)

We recommend the grantee obtain written approval from the Coal Board to support any changes made to the original grant.

We recommend the Coal Board amend grant No. 0180 to reflect the change in the funds used for each phase of the project.

RECOMMENDATION NO. 11

MONTANA COAL BOARD OVERALL COMMENTS

Coal Board files for Grant No. 0002 Colstrip Elementary School Bond Payments; Grant No. 0003 Colstrip High School Bond Payments; and Grant No. 0241 Daniels County Water Monitoring Program do not contain final progress and financial reports.

We recommend the Coal Board review all completed grant files to insure all required reports have been received.

RECOMMENDATION NO. 12

All grant agreements contain provisions for timely audits. Three grants contracted for audit in 1986 were completed prior to 1985.

We recommend completed grants be contracted for audit as soon as possible after the completion date.

RECOMMENDATION NO. 13

All grant agreements contain provisions for reports to be filed with the Coal Board. Three of the project files under audit did not contain one or more of the quarterly reports required by the grant.

We recommend the Coal Board establish a file 'checklist' of all documents required for the project. This 'checklist' should be monitored to insure that project files are complete.

COMMENTS AND RECOMMENDATIONS (Continued)

RECOMMENDATION NO. 14

Grant No. 0279 Eastern Coal Counties Task Force was an extension of a previous Coal Board grant that had a carryover of funds from which were applied to grant No. 0279. However, the carryover was not included in the total grant amount in the contract.

We recommend the total grant awarded include amounts carried over from prior grants and the carryover amount be specified on the disbursement schedule.

SUMMARY - GENERAL CONDITIONS

The Coal Board grant program is generally administered very well by the Board, its staff and local government officials. The preceding comments and recommendations are only those matters which we believed to reflect significant problems applicable to specific grants.

PRIOR RECOMMENDATIONS

Of the six recommendations made in the prior audit, all pertained to problems with specific grants.

The preceding comments and recommendations are intended solely for the use of management of the Board, the grantees and the legislature and should not be used for any other purpose. This restriction as to use is not intended to limit the distribution of this document which, upon acceptance by the Legislative Audit Committee, is a matter of public record.

We express our appreciation to the Coal Board staff and local government officials and employees for their cooperation and assistance during our audit.

The Legislative Audit Committee
of the Montana State Legislature
and
The Montana Coal Board

We have examined the statement of revenue and expenditures of Montana Coal Board Grant No. 0002 administered by the Colstrip Elementary School for the period from July, 1976 through June, 1986. Our examination was made in accordance with generally accepted auditing standards, Standards for Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants, and Standards for Audit of Governmental Organizations, Programs, Activities and Functions issued by the Comptroller General of the United States. Accordingly, our examination included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statement referred to above presents fairly the revenue and expenditures of Montana Coal Board Grant No. 0002 for the period from July, 1976 through June, 1986, in conformity with generally accepted accounting principles.

Anderson ZurMuehlen & Co., P.C.

Billings, Montana
December 3, 1986

MONTANA COAL BOARD
CITY OF COLSTRIP
COLSTRIP ELEMENTARY SCHOOL
GRANT NO. 0002
DEBT SERVICE FUND
STATEMENT OF REVENUE AND EXPENDITURES
For the period from July, 1976 through June, 1986

=====

REVENUE

Montana Coal Board Grant	\$1,799,635
--------------------------	-------------

EXPENDITURES

Debt repayment principal and interest	<u>1,799,635</u>
--	------------------

EXCESS REVENUE OVER EXPENDITURES	<u>\$ -0-</u>
----------------------------------	---------------

MONTANA COAL BOARD
CITY OF COLSTRIP
COLSTRIP ELEMENTARY SCHOOL
GRANT NO. 0002
DEBT SERVICE FUND
NOTES TO FINANCIAL STATEMENT
For the Period from July, 1976 through June, 1986

NOTE 1. PURPOSE

This grant provided funds for ten-year bond payments for construction funds used to build the Colstrip Elementary School.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statement has been prepared on the accrual basis.

Fund Classification

The Coal Board grant has been accounted for through a debt service fund. A debt service fund is used to account for revenues received from specific taxes or other earmarked revenue sources to meet debt payments on bond issues.

The Legislative Audit Committee
of the Montana State Legislature
and
The Montana Coal Board

We have examined the statement of revenue and expenditures of Montana Coal Board Grant No. 0003 administered by the Colstrip High School for the period from July, 1976 through June, 1986. Our examination was made in accordance with generally accepted auditing standards, Standards for Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants, and Standards for Audit of Governmental Organizations, Programs, Activities and Functions issued by the Comptroller General of the United States. Accordingly, our examination included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statement referred to above presents fairly the revenue and expenditures of Montana Coal Board Grant No. 0003 for the period from July, 1976 through June, 1986, in conformity with generally accepted accounting principles.

Anderson ZurMuehlen & Co., P.C.

Billings, Montana
December 3, 1986

MONTANA COAL BOARD
CITY OF COLSTRIP
COLSTRIP HIGH SCHOOL
GRANT NO. 0003
DEBT SERVICE FUND
STATEMENT OF REVENUE AND EXPENDITURES
For the period from July, 1976 through June, 1986

=====

REVENUE

Montana Coal Board Grant	\$1,022,318
--------------------------	-------------

EXPENDITURES

Debt repayment principal and interest	<u>1,022,318</u>
--	------------------

EXCESS REVENUE OVER EXPENDITURES	<u>\$ -0-</u>
----------------------------------	---------------

The Notes to Financial Statement are an integral
part of this statement.

MONTANA COAL BOARD
CITY OF COLSTRIP
COLSTRIP HIGH SCHOOL
GRANT NO. 0003
DEBT SERVICE FUND

NOTES TO FINANCIAL STATEMENT

For the Period from July, 1976 through June, 1986

NOTE 1. PURPOSE

This grant provided funds for ten-year bond payments for construction funds used to build the Colstrip High School.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statement has been prepared on the accrual basis.

Fund Classification

The Coal Board grant has been accounted for through a debt service fund. A debt service fund is used to account for revenues received from specific taxes or other earmarked revenue sources to meet debt payments on bond issues.

The Legislative Audit Committee
of the Montana State Legislature
and
The Montana Coal Board

We have examined the statement of revenue and expenditures of Montana Coal Board Grant No. 0180 administered by the City of Forsyth for the period from May, 1982 through December, 1984. Our examination was made in accordance with generally accepted auditing standards, Standards for Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants, and Standards for Audit of Governmental Organizations, Programs, Activities and Functions issued by the Comptroller General of the United States. Accordingly, our examination included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statement referred to above presents fairly the revenue and expenditures of Montana Coal Board Grant No. 0180 for the period from May, 1982 through December, 1984, in conformity with generally accepted accounting principles.

Anderson Zuer Muehlen & Co., P.C.

Billings, Montana
December 3, 1986

MONTANA COAL BOARD
CITY OF FORSYTH
SEWER LAGOON
GRANT NO. 0180
SPECIAL REVENUE FUND
STATEMENT OF REVENUE AND EXPENDITURES
For the period from May, 1982 through December, 1984

REVENUE

Montana Coal Board Grant	\$ 523,352
--------------------------	------------

EXPENDITURES

Sewer trunk line and lift station	\$410,432	
Scanning of laterals	17,972	
Lateral line replacement	<u>94,948</u>	
		<u>523,352</u>

EXCESS REVENUE OVER EXPENDITURES	\$ <u><u>-0-</u></u>
----------------------------------	----------------------

The Notes to Financial Statement are an integral
part of this statement.

MONTANA COAL BOARD
CITY OF FORSYTH
SEWER LAGOON
GRANT NO. 0180
SPECIAL REVENUE FUND
NOTES TO FINANCIAL STATEMENT
For the Period from May, 1982 through December, 1984

NOTE 1. PURPOSE

This grant provided funds for construction of a new sanitary sewer interceptor line, lift station and lateral collection lines in Forsyth, Montana.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statement has been prepared on the accrual basis.

Fund Classification

The Coal Board grant has been accounted for through a special revenue fund. A special revenue fund is used to account for revenues received from specific taxes or other earmarked revenue sources to finance particular functions or activities.

NOTE 3. CONTINGENCIES

This grant provided funding to replace the sanitary sewer main, lift station and lateral lines for the City of Forsyth. The grant earmarked the funds to be spent on each phase of the project. Although the total amount spent on the project was less than the original grant, the costs on the lateral line replacement phase exceeded the amount allocated by \$47,948.

The City requested a reallocation of grant funds to cover the amount bid on the lateral line replacement, but the request was denied by the Coal Board. The City subsequently spent the additional Coal Board monies on the lateral line replacement without approval from the Coal Board.

It has not yet been determined if the \$47,948 will be repaid to the Coal Board or if the grant will be subsequently amended to reallocate the funds used on the lateral line replacement phase of the project.

The Legislative Audit Committee
of the Montana State Legislature
and
The Montana Coal Board

We have examined the statement of revenue and expenditures of Montana Coal Board Grant No. 0210 administered by the Lodge Grass School District No. 27 for the period from July, 1983 through July, 1985. Our examination was made in accordance with generally accepted auditing standards, Standards for Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants, and Standards for Audit of Governmental Organizations, Programs, Activities and Functions issued by the Comptroller General of the United States. Accordingly, our examination included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statement referred to above presents fairly the revenue and expenditures of Montana Coal Board Grant No. 0210 for the period from July, 1983 through July, 1985, in conformity with generally accepted accounting principles.

Anderson ZurMuehlen & Co., P.C.

Billings, Montana
December 3, 1986

MONTANA COAL BOARD
LODGE GRASS SCHOOL DISTRICT NO. 27
ELEMENTARY SCHOOL CLASSROOM ADDITION
GRANT NO. 0210
SPECIAL REVENUE FUND
STATEMENT OF REVENUE AND EXPENDITURES
For the period from July, 1983 through July, 1985

=====

REVENUE

Montana Coal Board Grant	\$ 536,228
--------------------------	------------

EXPENDITURES

Capital outlay - Classrooms	<u>536,228</u>
-----------------------------	----------------

EXCESS REVENUE OVER EXPENDITURES	<u>\$ -0-</u>
----------------------------------	---------------

The Notes to Financial Statement are an integral
part of this statement.

MONTANA COAL BOARD
LODGE GRASS SCHOOL DISTRICT NO. 27
ELEMENTARY SCHOOL CLASSROOM ADDITION
GRANT NO. 0210
SPECIAL REVENUE FUND
NOTES TO FINANCIAL STATEMENT
For the Period from July, 1983 through July, 1985

NOTE 1. PURPOSE

This grant provided funds for the construction of six classrooms at the Lodge Grass Elementary School.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statement has been prepared on the accrual basis.

Fund Classification

The Coal Board grant is accounted for through a special revenue fund. A special revenue fund is used to account for revenues received from specific taxes or other earmarked revenue sources to finance particular functions or activities.

The Legislative Audit Committee
of the Montana State Legislature
and
The Montana Coal Board

We have examined the statement of revenue and expenditures of Montana Coal Board Grant No. 0226 administered by the Miles Community College for the period from January, 1984 through June, 1985. Our examination was made in accordance with generally accepted auditing standards, Standards for Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants, and Standards for Audit of Governmental Organizations, Programs, Activities and Functions issued by the Comptroller General of the United States. Accordingly, our examination included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statement referred to above presents fairly the revenue and expenditures of Montana Coal Board Grant No. 0226 for the period from January, 1984 through June, 1985, in conformity with generally accepted accounting principles.

Anderson Zuer Muehlen & Co., P.C.

Billings, Montana
December 3, 1986

MONTANA COAL BOARD
MILES COMMUNITY COLLEGE
COLSTRIP EDUCATION CENTER
GRANT NO. 0226
SPECIAL REVENUE FUND
STATEMENT OF REVENUE AND EXPENDITURES
For the period from January, 1984 through June, 1985

=====

REVENUE

Montana Coal Board Grant	\$ 119,235
--------------------------	------------

EXPENDITURES

Equipment, salaries, supplies	<u>119,235</u>
-------------------------------	----------------

EXCESS REVENUE OVER EXPENDITURES	<u>\$ -0-</u>
----------------------------------	---------------

The Notes to Financial Statement are an integral
part of this statement.

MONTANA COAL BOARD
MILES COMMUNITY COLLEGE
COLSTRIP EDUCATION CENTER
GRANT NO. 0226

SPECIAL REVENUE FUND
NOTES TO FINANCIAL STATEMENT

For the Period from January, 1984 through June, 1985

NOTE 1. PURPOSE

This grant provided funds to establish a community college education program in Colstrip, Montana.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statement has been prepared on the accrual basis.

Fund Classification

The Coal Board grant has been accounted for through a special revenue fund. A special revenue fund is used to account for revenues received from specific taxes or other earmarked revenue sources to finance particular functions or activities.

The Legislative Audit Committee
of the Montana State Legislature
and
The Montana Coal Board

We have examined the statement of revenue and expenditures of Montana Coal Board Grant No. 0233 administered by the Lodge Grass High School District No. 2 for the period from January, 1984 through August, 1985. Our examination was made in accordance with generally accepted auditing standards, Standards for Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants, and Standards for Audit of Governmental Organizations, Programs, Activities and Functions issued by the Comptroller General of the United States. Accordingly, our examination included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statement referred to above presents fairly the revenue and expenditures of Montana Coal Board Grant No. 0233 for the period from January, 1984 through August, 1985, in conformity with generally accepted accounting principles.

Anderson J. Muehlen & Co., P.C.

Billings, Montana
December 3, 1986

MONTANA COAL BOARD
 LODGE GRASS SCHOOL DISTRICT NO. 2
 VOCATIONAL EDUCATION CENTER
 GRANT NO. 0233
 SPECIAL REVENUE FUND
 STATEMENT OF REVENUE AND EXPENDITURES
 For the period from January, 1984 through August, 1985

=====

REVENUE

Montana Coal Board Grant	\$1,628,186
--------------------------	-------------

EXPENDITURES

Capital outlay - Vocational education center and equipment	<u>1,628,186</u>
---	------------------

EXCESS REVENUE OVER EXPENDITURES	<u>\$ -0-</u>
----------------------------------	---------------

The Notes to Financial Statement are an integral
part of this statement.

MONTANA COAL BOARD
LODGE GRASS SCHOOL DISTRICT NO. 2
VOCATIONAL EDUCATION CENTER
GRANT NO. 0233
SPECIAL REVENUE FUND
NOTES TO FINANCIAL STATEMENT
For the Period from January, 1984 through August, 1985

NOTE 1. PURPOSE

This grant provided funds for construction and equipment for the Lodge Grass High School Vocational Educational Center at the high school complex in Lodge Grass, Montana.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statement has been prepared on the accrual basis.

Fund Classification

The Coal Board grant is accounted for through a special revenue fund. A special revenue fund is used to account for revenues received from specific taxes or other earmarked revenue sources to finance particular functions or activities.

The Legislative Audit Committee
of the Montana State Legislature
and
The Montana Coal Board

We have examined the statement of revenue and expenditures of Montana Coal Board Grant No. 0237 administered by the City of Forsyth for the period from June, 1984 through June, 1985. Our examination was made in accordance with generally accepted auditing standards, Standards for Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants, and Standards for Audit of Governmental Organizations, Programs, Activities and Functions issued by the Comptroller General of the United States. Accordingly, our examination included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statement referred to above presents fairly the revenue and expenditures of Montana Coal Board Grant No. 0237 for the period from June, 1984 through June, 1985, in conformity with generally accepted accounting principles.

Anderson Zurmuerlen & Co., P.C.

Billings, Montana
December 3, 1986

MONTANA COAL BOARD
CITY OF FORSYTH
WATER DISTRIBUTION SYSTEM
GRANT NO. 0237
SPECIAL REVENUE FUND
STATEMENT OF REVENUE AND EXPENDITURES
For the period from June, 1984 through June, 1985

=====

REVENUE

Montana Coal Board Grant	\$ 173,965
--------------------------	------------

EXPENDITURES

Capital outlay - Water distribution system	<u>173,965</u>
---	----------------

EXCESS REVENUE OVER EXPENDITURES	<u>\$ -0-</u>
----------------------------------	---------------

The Notes to Financial Statement are an integral
part of this statement.

MONTANA COAL BOARD
CITY OF FORSYTH
WATER DISTRIBUTION SYSTEM
GRANT NO. 0237
SPECIAL REVENUE FUND
NOTES TO FINANCIAL STATEMENT
For the Period from June, 1984 through June, 1985

NOTE 1. PURPOSE

This grant provided funds for the installation of water mains to expand the water distribution system for the City of Forsyth.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statement has been prepared on the accrual basis.

Fund Classification

The Coal Board grant has been accounted for through a special revenue fund. A special revenue fund is used to account for revenues received from specific taxes or other earmarked revenue sources to finance particular functions or activities.

The Legislative Audit Committee
of the Montana State Legislature
and
The Montana Coal Board

We have examined the balance sheet of Montana Coal Board Grant No. 0241 administered by the Daniels County Conservation District at June 30, 1986 and the related statement of revenue and expenditures for the period from April 1, 1984 through June 30, 1986. Our examination was made in accordance with generally accepted auditing standards, Standards for Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants, and Standards for Audit of Governmental Organizations, Programs, Activities and Functions issued by the Comptroller General of the United States. Accordingly, our examination included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Montana Coal Board Grant No. 0241 at June 30, 1986 and the revenue and expenditures for the period from April 1, 1984 through June 30, 1986, in conformity with generally accepted accounting principles.

Anderson JurMuehlen & Co., P.C.

Billings, Montana
December 3, 1986

MONTANA COAL BOARD
DANIELS COUNTY CONSERVATION DISTRICT
WATER MONITORING PROGRAM
GRANT NO. 0241
SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 1986

=====

ASSETS

Cash	\$	<u>190</u>
------	----	------------

LIABILITIES

Accounts payable	\$	190
------------------	----	-----

FUND BALANCE

	<u>0</u>
	<u>\$ 190</u>

The Notes to Financial Statements are an integral
part of this statement.

MONTANA COAL BOARD
DANIELS COUNTY CONSERVATION DISTRICT
WATER MONITORING PROGRAM
GRANT NO. 0241
SPECIAL REVENUE FUND
STATEMENT OF REVENUE AND EXPENDITURES
For the period from April 1, 1984 through June 30, 1986

=====

REVENUE

Montana Coal Board Grant	\$ 96,638
--------------------------	-----------

EXPENDITURES

Consultant fees	<u>96,638</u>
-----------------	---------------

EXCESS REVENUE OVER EXPENDITURES	<u>\$ -0-</u>
----------------------------------	---------------

The Notes to Financial Statement are an integral
part of this statement.

MONTANA COAL BOARD
DANIELS COUNTY CONSERVATION DISTRICT
WATER MONITORING PROGRAM
GRANT NO. 0241
SPECIAL REVENUE FUND

NOTES TO FINANCIAL STATEMENTS

For the Period from April 1, 1984 through June 30, 1986

NOTE 1. PURPOSE

This grant provided funds for the continued maintenance of a water monitoring project in Daniels County.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis.

Fund Classification

The Coal Board grant is accounted for through a special revenue fund. A special revenue fund is used to account for revenues received from specific taxes or other earmarked revenue sources to finance particular functions or activities.

The Legislative Audit Committee
of the Montana State Legislature
and
The Montana Coal Board

We have examined the statement of revenue and expenditures of Montana Coal Board Grant No. 0243 administered by the Northern Cheyenne Tribe for the period from June, 1984 through December, 1985. Our examination was made in accordance with generally accepted auditing standards, Standards for Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants, and Standards for Audit of Governmental Organizations, Programs, Activities and Functions issued by the Comptroller General of the United States. Accordingly, our examination included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statement referred to above presents fairly the revenue and expenditures of Montana Coal Board Grant No. 0243 for the period from June, 1984 through December, 1985, in conformity with generally accepted accounting principles.

Anderson ZurMuehlen & Co., P.C.

Billings, Montana
December 3, 1986

MONTANA COAL BOARD
NORTHERN CHEYENNE TRIBE
LAME DEER COMMUNITY CENTER
GRANT NO. 0243

SPECIAL REVENUE FUND
STATEMENT OF REVENUE AND EXPENDITURES

For the period from June, 1984 through December, 1985

=====

REVENUE

Montana Coal Board Grant	\$ 317,500
--------------------------	------------

EXPENDITURES

Capital outlay - Community Center	<u>317,500</u>
-----------------------------------	----------------

EXCESS REVENUE OVER EXPENDITURES	<u>\$ -0-</u>
----------------------------------	---------------

The Notes to Financial Statement are an integral
part of this statement.

MONTANA COAL BOARD
NORTHERN CHEYENNE TRIBE
LAME DEER COMMUNITY CENTER
GRANT NO. 0243
SPECIAL REVENUE FUND
NOTES TO FINANCIAL STATEMENT
For the Period from June, 1984 through December, 1985

NOTE 1. PURPOSE

This grant provided funds for the construction of a community center building facility for the Northern Cheyenne Tribe in Lame Deer, Montana.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statement has been prepared on the accrual basis.

Fund Classification

The Coal Board grant has been accounted for through a special revenue fund. A special revenue fund is used to account for revenues received from specific taxes or other earmarked revenue sources to finance particular functions or activities.

The Legislative Audit Committee
of the Montana State Legislature
and
The Montana Coal Board

We have examined the statement of revenue and expenditures of Montana Coal Board Grant No. 0256 administered by Treasure County for the period from June, 1985 through December, 1985. Our examination was made in accordance with generally accepted auditing standards, Standards for Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants, and Standards for Audit of Governmental Organizations, Programs, Activities and Functions issued by the Comptroller General of the United States. Accordingly, our examination included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statement referred to above presents fairly the revenue and expenditures of Montana Coal Board Grant No. 0256 for the period from June, 1985 through December, 1985, in conformity with generally accepted accounting principles.

Anderson ZurMuehlen & Co., P.C.

Billings, Montana
December 3, 1986

MONTANA COAL BOARD
TREASURE COUNTY
ROAD EQUIPMENT
GRANT NO. 0256
SPECIAL REVENUE FUND
STATEMENT OF REVENUE AND EXPENDITURES
For the period from June, 1985 through December, 1985

=====

REVENUE

Montana Coal Board Grant	\$ 103,000
--------------------------	------------

EXPENDITURES

Capital outlay - Motor Road Grader	<u>103,000</u>
------------------------------------	----------------

EXCESS REVENUE OVER EXPENDITURES	<u>\$ -0-</u>
----------------------------------	---------------

The Notes to Financial Statement are an integral
part of this statement.

MONTANA COAL BOARD
TREASURE COUNTY
ROAD EQUIPMENT
GRANT NO. 0256
SPECIAL REVENUE FUND
NOTES TO FINANCIAL STATEMENT
For the Period from June, 1985 through December, 1985

NOTE 1. PURPOSE

This grant provided funds to purchase a new motor grader for the Treasure County road department.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statement has been prepared on the accrual basis.

Fund Classification

The Coal Board grant has been accounted for through a special revenue fund. A special revenue fund is used to account for revenues received from specific taxes or other earmarked revenue sources to finance particular functions or activities.

The Legislative Audit Committee
of the Montana State Legislature
and
The Montana Coal Board

We have examined the statement of revenue and expenditures of Montana Coal Board Grant No. 0257 administered by Yellowstone County for the period from January, 1985 through June, 1986. Our examination was made in accordance with generally accepted auditing standards, Standards for Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants, and Standards for Audit of Governmental Organizations, Programs, Activities and Functions issued by the Comptroller General of the United States. Accordingly, our examination included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statement referred to above presents fairly the revenue and expenditures of Montana Coal Board Grant No. 0257 for the period from January, 1985 through June, 1986, in conformity with generally accepted accounting principles.

Anderson Zuercher & Co., P.C.

Billings, Montana
December 3, 1986

MONTANA COAL BOARD
YELLOWSTONE COUNTY
COUNTY JAIL REVISION
GRANT NO. 0257
CAPITAL PROJECTS FUND
STATEMENT OF REVENUE AND EXPENDITURES
For the period from January, 1985 through June, 1986

=====

REVENUE

Montana Coal Board Grant	\$ 712,650
--------------------------	------------

EXPENDITURES

Capital outlay - Jail Facility	<u>712,650</u>
--------------------------------	----------------

EXCESS REVENUE OVER EXPENDITURES	<u>\$ -0-</u>
----------------------------------	---------------

The Notes to Financial Statement are an integral
part of this statement.

MONTANA COAL BOARD
YELLOWSTONE COUNTY
COUNTY JAIL REVISION
GRANT NO. 0257
CAPITAL PROJECTS FUND
NOTES TO FINANCIAL STATEMENT
For the Period from January, 1985 through June, 1986

NOTE 1. PURPOSE

This grant provided funds for the construction of a new jail facility for Yellowstone County in Billings, Montana.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statement has been prepared on the accrual basis.

Fund Classification

The Coal Board grant has been accounted for through a capital projects fund. The capital projects fund is used to account for revenues received from specific taxes or other earmarked revenue sources to finance a particular project.

The Legislative Audit Committee
of the Montana State Legislature
and
The Montana Coal Board

We have examined the statement of revenue and expenditures of Montana Coal Board Grant No. 0260 administered by the Hardin School District No. 1-17H and the City of Hardin for the period from December, 1984 through May, 1986. Our examination was made in accordance with generally accepted auditing standards, Standards for Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants, and Standards for Audit of Governmental Organizations, Programs, Activities and Functions issued by the Comptroller General of the United States. Accordingly, our examination included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statement referred to above presents fairly the revenue and expenditures of Montana Coal Board Grant No. 0260 for the period from December, 1984 through May, 1986, in conformity with generally accepted accounting principles.

Anderson J. Muehlen & Co., A.C.

Billings, Montana
December 3, 1986

MONTANA COAL BOARD
HARDIN SCHOOL DISTRICT NO. 1-17H
COMMUNITY ACTIVITIES COMPLEX
GRANT NO. 0260
SPECIAL REVENUE FUND
STATEMENT OF REVENUE AND EXPENDITURES
For the period from December, 1984 through May, 1986

=====

REVENUE

Montana Coal Board Grant	\$1,800,000
--------------------------	-------------

EXPENDITURES

Capital outlay - Community Center	<u>1,800,000</u>
-----------------------------------	------------------

EXCESS REVENUE OVER EXPENDITURES	<u>\$ -0-</u>
----------------------------------	---------------

The Notes to Financial Statement are an integral
part of this statement.

MONTANA COAL BOARD
HARDIN SCHOOL DISTRICT NO. 1-17H
COMMUNITY ACTIVITIES COMPLEX
GRANT NO. 0260
SPECIAL REVENUE FUND

NOTES TO FINANCIAL STATEMENT

For the Period from December, 1984 through May, 1986

NOTE 1. PURPOSE

This grant provided funds for the construction of a community activities complex at Hardin, Montana.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statement has been prepared on the accrual basis.

Fund Classification

The Coal Board grant is accounted for through a special revenue fund. A special revenue fund is used to account for revenues received from specific taxes or other earmarked revenue sources to finance particular functions or activities.

The Legislative Audit Committee
of the Montana State Legislature
and
The Montana Coal Board

We have examined the statement of revenue and expenditures of Montana Coal Board Grant No. 0261 administered by the Rosebud Conservation District for the period from February, 1985 through April, 1986. Our examination was made in accordance with generally accepted auditing standards, Standards for Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants, and Standards for Audit of Governmental Organizations, Programs, Activities and Functions issued by the Comptroller General of the United States. Accordingly, our examination included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statement referred to above presents fairly the revenue and expenditures of Montana Coal Board Grant No. 0261 for the period from February, 1985 through April, 1986, in conformity with generally accepted accounting principles.

Anderson ZurMuehlen & Co., P.C.

Billings, Montana
December 3, 1986

MONTANA COAL BOARD
ROSEBUD COUNTY CONSERVATION DISTRICT
GROUND WATER MONITORING PROGRAM
GRANT NO. 0261
GENERAL FUND
STATEMENT OF REVENUE AND EXPENDITURES
For the period from February, 1985 through April, 1986

=====

REVENUE

Montana Coal Board Grant	\$ 50,760
--------------------------	-----------

EXPENDITURES

Water Monitoring	<u>50,760</u>
------------------	---------------

EXCESS REVENUE OVER EXPENDITURES	<u>\$ -0-</u>
----------------------------------	---------------

The Notes to Financial Statement are an integral
part of this statement.

MONTANA COAL BOARD
ROSEBUD COUNTY CONSERVATION DISTRICT
GROUND WATER MONITORING PROGRAM

GRANT NO. 0261

GENERAL FUND

NOTES TO FINANCIAL STATEMENT

For the Period from February, 1985 through April, 1986

NOTE 1. PURPOSE

This grant provided funds for the continued maintenance of a ground water program in Rosebud and Big Horn Counties.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statement has been prepared on the accrual basis.

Fund Classification

The Coal Board grant has been accounted for through the general fund. The general fund is used to account for all transactions of a governmental unit which are not accounted for in another fund.

The Legislative Audit Committee
of the Montana State Legislature
and
The Montana Coal Board

We have examined the statement of revenue and expenditures of Montana Coal Board Grant No. 0263 administered by Big Horn County for the period from May, 1985 through May, 1986. Our examination was made in accordance with generally accepted auditing standards, Standards for Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants, and Standards for Audit of Governmental Organizations, Programs, Activities and Functions issued by the Comptroller General of the United States. Accordingly, our examination included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statement referred to above presents fairly the revenue and expenditures of Montana Coal Board Grant No. 0263 for the period from May, 1985 through May, 1986, in conformity with generally accepted accounting principles.

Anderson ZurMuehlen & Co., P.C.

Billings, Montana
December 3, 1986

MONTANA COAL BOARD
BIG HORN COUNTY
COUNTY SHOP FACILITY
GRANT NO. 0263
SPECIAL REVENUE FUND
STATEMENT OF REVENUE AND EXPENDITURES
For the period from May, 1985 through May, 1986

=====

REVENUE

Montana Coal Board Grant	\$ 262,000
--------------------------	------------

EXPENDITURES

Capital outlay - Shop building	<u>262,000</u>
--------------------------------	----------------

EXCESS REVENUE OVER EXPENDITURES	<u><u>\$ -0-</u></u>
----------------------------------	----------------------

The Notes to Financial Statement are an integral
part of this statement.

MONTANA COAL BOARD
BIG HORN COUNTY
COUNTY SHOP FACILITY
GRANT NO. 0263
SPECIAL REVENUE FUND
NOTES TO FINANCIAL STATEMENT
For the Period from May, 1985 through May, 1986

NOTE 1. PURPOSE

This grant provided funds for construction of a shop building in Hardin, Montana for the Big Horn County Road Department.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statement has been prepared on the accrual basis.

Fund Classification

The Coal Board grant has been accounted for through a special revenue fund. A special revenue fund is used to account for revenues received from specific taxes or other earmarked revenue sources to finance particular functions or activities.

The Legislative Audit Committee
of the Montana State Legislature
and
The Montana Coal Board

We have examined the balance sheet of Montana Coal Board Grant No. 0264 administered by Hardin School District No. 1 and 17H and Big Horn County at June 30, 1986 and the related statements of revenue and expenditures and changes in fund balance for the period from December 15, 1984 through June 30, 1986. Our examination was made in accordance with generally accepted auditing standards, Standards for Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants, and Standards for Audit of Governmental Organizations, Programs, Activities and Functions issued by the Comptroller General of the United States. Accordingly, our examination included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Montana Coal Board Grant No. 0264 at June 30, 1986 and the revenue and expenditures and changes in fund balance for the period from December 15, 1984 through June 30, 1986, in conformity with generally accepted accounting principles.

Anderson ZurMuehlen & Co., P.C.

Billings, Montana
December 3, 1986

MONTANA COAL BOARD
HARDIN SCHOOL DISTRICT NO. 1 AND 17H AND BIG HORN COUNTY
CHEMICAL ABUSE TREATMENT AND PREVENTION PROGRAM
GRANT NO. 0264
SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 1986

=====

ASSETS

Cash	<u>\$ 9,663</u>
------	-----------------

LIABILITIES

\$ 0

FUND BALANCE

<u>9,663</u>

<u>\$ 9,663</u>

The Notes to Financial Statements are an integral
part of this statement.

MONTANA COAL BOARD
HARDIN SCHOOL DISTRICT NO. 1 AND 17H AND BIG HORN COUNTY
CHEMICAL ABUSE TREATMENT AND PREVENTION PROGRAM
GRANT NO. 0264
SPECIAL REVENUE FUND
STATEMENT OF REVENUE AND EXPENDITURES
For the period from December 15, 1984 through June 30, 1986

=====

REVENUE

Montana Coal Board Grant	\$ 130,000
--------------------------	------------

EXPENDITURES

Salaries, equipment, supplies	<u>120,337</u>
-------------------------------	----------------

EXCESS REVENUE OVER EXPENDITURES	<u>\$ 9,663</u>
----------------------------------	-----------------

The Notes to Financial Statement are an integral
part of this statement.

MONTANA COAL BOARD
HARDIN SCHOOL DISTRICT NO. 1 AND 17H AND BIG HORN COUNTY
CHEMICAL ABUSE TREATMENT AND PREVENTION PROGRAM
GRANT NO. 0264
SPECIAL REVENUE FUND
STATEMENT OF CHANGES IN FUND BALANCE
For the Period from December 15, 1984 through June 30, 1986

=====

FUND BALANCE, December 15, 1984	\$ 0
Excess of revenue over expenditures	<u>9,663</u>
FUND BALANCE, June 30, 1986	<u>\$ 9,663</u>

The Notes to Financial Statements are an integral
part of this statement.

MONTANA COAL BOARD
HARDIN SCHOOL DISTRICT NO. 1 AND 17H AND BIG HORN COUNTY
CHEMICAL ABUSE TREATMENT AND PREVENTION PROGRAM
GRANT NO. 0264
SPECIAL REVENUE FUND
NOTES TO FINANCIAL STATEMENTS
For the Period from December 15, 1984 through June 30, 1986

NOTE 1. PURPOSE

This grant provides funds for monitoring a chemical abuse and treatment program in Big Horn County for a three year period ending December, 1987.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis.

Fund Classification

The Coal Board grant is accounted for through a special revenue fund. A special revenue fund is used to account for revenues received from specific taxes or other earmarked revenue sources to finance particular functions or activities.

The Legislative Audit Committee
of the Montana State Legislature
and
The Montana Coal Board

We have examined the statement of revenue and expenditures of Montana Coal Board Grant No. 0266 administered by the Yellowstone County Mental Health Center for the period from May, 1985 through December, 1985. Our examination was made in accordance with generally accepted auditing standards, Standards for Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants, and Standards for Audit of Governmental Organizations, Programs, Activities and Functions issued by the Comptroller General of the United States. Accordingly, our examination included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statement referred to above presents fairly the revenue and expenditures of Montana Coal Board Grant No. 0266 for the period from May, 1985 through December, 1985, in conformity with generally accepted accounting principles.

Anderson J. Muehlen & Co., P.C.

Billings, Montana
December 3, 1986

MONTANA COAL BOARD
YELLOWSTONE COUNTY
BILLINGS MENTAL HEALTH TREATMENT FACILITY
GRANT NO. 0266
SPECIAL REVENUE FUND
STATEMENT OF REVENUE AND EXPENDITURES
For the period from May, 1985 through December, 1985

=====

REVENUE

Montana Coal Board Grant	\$ 150,000
--------------------------	------------

EXPENDITURES

Capital outlay - Building	<u>150,000</u>
---------------------------	----------------

EXCESS REVENUE OVER EXPENDITURES	<u>\$ -0-</u>
----------------------------------	---------------

The Notes to Financial Statement are an integral
part of this statement.

MONTANA COAL BOARD
YELLOWSTONE COUNTY
BILLINGS MENTAL HEALTH TREATMENT FACILITY
GRANT NO. 0266
SPECIAL REVENUE FUND
NOTES TO FINANCIAL STATEMENT
For the Period from May, 1985 through December, 1985

NOTE 1. PURPOSE

This grant provided funds for construction of a new building providing living space for the Rainbow House mental health program in Billings, Montana.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statement has been prepared on the accrual basis.

Fund Classification

The Coal Board grant has been accounted for through a special revenue fund. A special revenue fund is used to account for revenues received from specific taxes or other earmarked revenue sources to finance particular functions or activities.

The Legislative Audit Committee
of the Montana State Legislature
and
The Montana Coal Board

We have examined the statement of revenue and expenditures of Montana Coal Board Grant No. 0268 administered by the Lane Deer School District No. 6 for the period from February, 1985 through March, 1986. Our examination was made in accordance with generally accepted auditing standards, Standards for Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants, and Standards for Audit of Governmental Organizations, Programs, Activities and Functions issued by the Comptroller General of the United States. Accordingly, our examination included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statement referred to above presents fairly the revenue and expenditures of Montana Coal Board Grant No. 0268 for the period from February, 1985 through March, 1986, in conformity with generally accepted accounting principles.

Anderson ZurMuehlen & Co., P.C.

Billings, Montana
December 3, 1986

MONTANA COAL BOARD
LAME DEER SCHOOL DISTRICT NO. 6
TEACHER HOUSING AND HEATING SYSTEM
GRANT NO. 0268
SPECIAL REVENUE FUND
STATEMENT OF REVENUE AND EXPENDITURES
For the period from February, 1985 through March, 1986

=====

REVENUE

Montana Coal Board Grant	\$ 834,140
--------------------------	------------

EXPENDITURES

Capital outlay - Housing units and heating system	<u>834,140</u>
--	----------------

EXCESS REVENUE OVER EXPENDITURES	<u>\$ -0-</u>
----------------------------------	---------------

The Notes to Financial Statement are an integral
part of this statement.

MONTANA COAL BOARD
LAME DEER SCHOOL DISTRICT NO. 6
TEACHER HOUSING AND HEATING SYSTEM
GRANT NO. 0268
SPECIAL REVENUE FUND

NOTES TO FINANCIAL STATEMENT

For the Period from February, 1985 through March, 1986

NOTE 1. PURPOSE

This grant provided funds for the construction of twelve teacher housing units and heating system improvements at the Lame Deer Elementary School.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statement has been prepared on the accrual basis.

Fund Classification

The Coal Board grant is accounted for through a special revenue fund. A special revenue fund is used to account for revenues received from specific taxes or other earmarked revenue sources to finance particular functions or activities.

The Legislative Audit Committee
of the Montana State Legislature
and
The Montana Coal Board

We have examined the statement of revenue and expenditures of Montana Coal Board Grant No. 0269 administered by Birney School District No. 3 for the period from May, 1985 through December, 1985. Our examination was made in accordance with generally accepted auditing standards, Standards for Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants, and Standards for Audit of Governmental Organizations, Programs, Activities and Functions issued by the Comptroller General of the United States. Accordingly, our examination included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statement referred to above presents fairly the revenue and expenditures of Montana Coal Board Grant No. 0269 for the period from May, 1985 through December, 1985, in conformity with generally accepted accounting principles.

Anderson Jurquehen & Co., P.C.

Billings, Montana
December 3, 1986

MONTANA COAL BOARD
BIRNEY SCHOOL DISTRICT NO. 3
SCHOOL CONSTRUCTION
GRANT NO. 0269
SPECIAL REVENUE FUND
STATEMENT OF REVENUE AND EXPENDITURES
For the period from May, 1985 through December, 1985

=====

REVENUE

Montana Coal Board Grant	\$ 72,000
--------------------------	-----------

EXPENDITURES

Capital outlay - Library/Kindergarten addition	<u>72,000</u>
---	---------------

EXCESS REVENUE OVER EXPENDITURES	<u>\$ -0-</u>
----------------------------------	---------------

The Notes to Financial Statement are an integral
part of this statement.

MONTANA COAL BOARD
BIRNEY SCHOOL DISTRICT NO. 3
SCHOOL CONSTRUCTION
GRANT NO. 0269

SPECIAL REVENUE FUND
NOTES TO FINANCIAL STATEMENT

For the Period from May, 1985 through December, 1985

NOTE 1. PURPOSE

This grant provided funds for the construction of a library/kindergarten addition to the elementary school at Birney, Montana.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statement has been prepared on the accrual basis.

Fund Classification

The Coal Board grant is accounted for through a special revenue fund. A special revenue fund is used to account for revenues received from specific taxes or other earmarked revenue sources to finance particular functions or activities.

The Legislative Audit Committee
of the Montana State Legislature
and
The Montana Coal Board

We have examined the statement of revenue and expenditures of Montana Coal Board Grant No. 0272 administered by Powder River County for the period from June, 1985 through December, 1985. Our examination was made in accordance with generally accepted auditing standards, Standards for Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants, and Standards for Audit of Governmental Organizations, Programs, Activities and Functions issued by the Comptroller General of the United States. Accordingly, our examination included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statement referred to above presents fairly the revenue and expenditures of Montana Coal Board Grant No. 0272 for the period from June, 1985 through December, 1985, in conformity with generally accepted accounting principles.

Anderson ZurMuehlen & Co., P.C.
Billings, Montana
December 3, 1986

MONTANA COAL BOARD
POWDER RIVER COUNTY
COMPREHENSIVE IMPACT PLAN
GRANT NO. 0272
GENERAL FUND

STATEMENT OF REVENUE AND EXPENDITURES
For the period from June, 1985 through December, 1985

=====

REVENUE

Montana Coal Board Grant	\$ 22,954
--------------------------	-----------

EXPENDITURES

Coal impact plan	<u>22,954</u>
------------------	---------------

EXCESS REVENUE OVER EXPENDITURES	<u>\$ -0-</u>
----------------------------------	---------------

The Notes to Financial Statement are an integral
part of this statement.

MONTANA COAL BOARD
POWDER RIVER COUNTY
COMPREHENSIVE IMPACT PLAN
GRANT NO. 0272
GENERAL FUND

NOTES TO FINANCIAL STATEMENT

For the Period from June, 1985 through December, 1985

NOTE 1. PURPOSE

This grant provided funds for a comprehensive impact plan to study the essential community services that would be impacted by coal development in Powder River County.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statement has been prepared on the accrual basis.

Fund Classification

The Coal Board grant has been accounted for through the general fund. The general fund is used to account for all transactions of a governmental unit which are not accounted for in another fund.

The Legislative Audit Committee
of the Montana State Legislature
and
The Montana Coal Board

We have examined the balance sheet of Montana Coal Board Grant No. 0279 administered by the Department of Justice for the Eastern Coal Counties Task Force at June 30, 1986 and the related statements of revenue and expenditures and changes in fund balance for the period from July 1, 1985 through June 30, 1986. Our examination was made in accordance with generally accepted auditing standards, Standards for Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants, and Standards for Audit of Governmental Organizations, Programs, Activities and Functions issued by the Comptroller General of the United States. Accordingly, our examination included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Montana Coal Board Grant No. 0279 at June 30, 1986 and the revenue and expenditures and changes in fund balance for the period from July 1, 1985 through June 30, 1986, in conformity with generally accepted accounting principles.

Anderson Zimmerman & Co., P.C.

Billings, Montana
December 3, 1986

MONTANA COAL BOARD
CITY OF BILLINGS
EASTERN COAL COUNTIES TASK FORCE
GRANT NO. 0279
SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 1986

=====

ASSETS

Imprest Funds	\$ 6,454
Operating Funds	<u>9,961</u>
	<u>\$16,415</u>

LIABILITIES

\$ 0

FUND BALANCE

<u>16,415</u>
<u>\$16,415</u>

The Notes to Financial Statements are an integral
part of this statement.

MONTANA COAL BOARD
CITY OF BILLINGS
EASTERN COAL COUNTIES TASK FORCE
GRANT NO. 0279
SPECIAL REVENUE FUND
STATEMENT OF REVENUE AND EXPENDITURES
For the period from July 1, 1985 through June 30, 1986

=====

REVENUE

Montana Coal Board Grant	\$ 287,071
Interest income	<u>948</u>
	<u>288,019</u>

EXPENDITURES

Operation costs	231,927
Undercover operations	<u>39,677</u>
	<u>271,604</u>

EXCESS REVENUE OVER EXPENDITURES	<u><u>\$ 16,415</u></u>
----------------------------------	-------------------------

The Notes to Financial Statement are an integral
part of this statement.

MONTANA COAL BOARD
CITY OF BILLINGS
EASTERN COAL COUNTIES TASK FORCE
GRANT NO. 0279
SPECIAL REVENUE FUND
STATEMENT OF CHANGES IN FUND BALANCE
For the Period from July 1, 1985 through June 30, 1986

=====	
FUND BALANCE, December 15, 1984	\$ 0
Excess of revenue over expenditures	<u>16,415</u>
FUND BALANCE, June 30, 1986	<u>\$16,415</u>

The Notes to Financial Statements are an integral
part of this statement.

MONTANA COAL BOARD
CITY OF BILLINGS
EASTERN COAL COUNTIES TASK FORCE
GRANT NO. 0279
SPECIAL REVENUE FUND

NOTES TO FINANCIAL STATEMENTS

For the Period from July 1, 1985 through June 30, 1986

NOTE 1. PURPOSE

This grant provides funds for law enforcement support services for eight counties in eastern Montana for two years ending June 30, 1987.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis.

Fund Classification

The Coal Board grant is accounted for through a special revenue fund. A special revenue fund is used to account for revenues received from specific taxes or other earmarked revenue sources to finance particular functions or activities.

The Legislative Audit Committee
of the Montana State Legislature
and
The Montana Coal Board

We have examined the balance sheet of Montana Coal Board Grant No. 0280 administered by the Northern Cheyenne Tribe at June 30, 1986 and the related statement of revenue and expenditures for the period from June 25, 1985 through June 30, 1986. Our examination was made in accordance with generally accepted auditing standards, Standards for Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants, and Standards for Audit of Governmental Organizations, Programs, Activities and Functions issued by the Comptroller General of the United States. Accordingly, our examination included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Montana Coal Board Grant No. 0280 at June 30, 1986 and the revenue and expenditures for the period from June 25, 1985 through June 30, 1986, in conformity with generally accepted accounting principles.

Anderson J. Muehlen & Co., A.C.

Billings, Montana
December 3, 1986

MONTANA COAL BOARD
NORTHERN CHEYENNE TRIBE
IMPACT PLANNING STUDY
GRANT NO. 0280
SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 1986

=====

ASSETS

Cash	\$ 250
------	--------

LIABILITIES

Accounts payable	\$ 250
------------------	--------

FUND BALANCE

0

\$ 250

The Notes to Financial Statements are an integral
part of this statement.

MONTANA COAL BOARD
NORTHERN CHEYENNE TRIBE
IMPACT PLANNING STUDY
GRANT NO. 0280
SPECIAL REVENUE FUND
STATEMENT OF REVENUE AND EXPENDITURES
For the period from June 25, 1985 through June 30, 1986

=====

REVENUE

Montana Coal Board Grant	\$ 38,000
--------------------------	-----------

EXPENDITURES

Salaries, supplies, benefits and travel	<u>37,750</u>
--	---------------

EXCESS REVENUE OVER EXPENDITURES	<u>\$ 250</u>
----------------------------------	---------------

The Notes to Financial Statement are an integral
part of this statement.

MONTANA COAL BOARD
NORTHERN CHEYENNE TRIBE
IMPACT PLANNING STUDY
GRANT NO. 0280
SPECIAL REVENUE FUND

NOTES TO FINANCIAL STATEMENTS

For the Period from June 25, 1985 through June 30, 1986

NOTE 1. PURPOSE

This grant provided funds for completion of a study to identify coal impact needs and provide a coordinator position for the Northern Cheyenne Tribe.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis.

Fund Classification

The Coal Board grant is accounted for through a special revenue fund. A special revenue fund is used to account for revenues received from specific taxes or other earmarked revenue sources to finance particular functions or activities.

The Legislative Audit Committee
of the Montana State Legislature
and
The Montana Coal Board

We have examined the balance sheet of Montana Coal Board Grant No. 0281 administered by the Montana State University at June 30, 1986 and the related statement of revenue and expenditures for the period from September 3, 1985 through June 30, 1986. Our examination was made in accordance with generally accepted auditing standards, Standards for Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants, and Standards for Audit of Governmental Organizations, Programs, Activities and Functions issued by the Comptroller General of the United States. Accordingly, our examination included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Montana Coal Board Grant No. 0281 at June 30, 1986 and the revenue and expenditures for the period from September 3, 1985 through June 30, 1986, in conformity with generally accepted accounting principles.

Anderson ZurMuehlen & Co., P.C.

Billings, Montana
December 3, 1986

MONTANA COAL BOARD
MONTANA STATE UNIVERSITY
HAY PRODUCTION ASSESSMENT
GRANT NO. 0281
SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 1986

=====

ASSETS

Accounts receivable	\$ <u>4,270</u>
---------------------	-----------------

LIABILITIES

Cash deficit	\$ 4,270
--------------	----------

FUND BALANCE

0

\$ 4,270

The Notes to Financial Statements are an integral
part of this statement.

MONTANA COAL BOARD
MONTANA STATE UNIVERSITY
HAY PRODUCTION ASSESSMENT
GRANT NO. 0281
SPECIAL REVENUE FUND
STATEMENT OF REVENUE AND EXPENDITURES
For the period from September 3, 1985 through June 30, 1986

=====

REVENUE

Montana Coal Board Grant	\$ 25,354
--------------------------	-----------

EXPENDITURES

Salaries, supplies, benefits and travel	<u>25,354</u>
--	---------------

EXCESS REVENUE OVER EXPENDITURES	<u>\$ -0-</u>
----------------------------------	---------------

The Notes to Financial Statement are an integral
part of this statement.

MONTANA COAL BOARD
MONTANA STATE UNIVERSITY
HAY PRODUCTION ASSESSMENT
GRANT NO. 0281
SPECIAL REVENUE FUND

NOTES TO FINANCIAL STATEMENTS

For the Period from September 3, 1985 through June 30, 1986

NOTE 1. PURPOSE

This grant provides funds for a two year study to assess the causes of the loss of alfalfa and hay production in sub-irrigated hay meadows down gradient from a surface coal mine in Rosebud County.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis.

Fund Classification

The Coal Board grant is accounted for through a special revenue fund. A special revenue fund is used to account for revenues received from specific taxes or other earmarked revenue sources to finance particular functions or activities.

The Legislative Audit Committee
of the Montana State Legislature
and
The Montana Coal Board

We have examined the statement of revenue and expenditures of Montana Coal Board Grant No. 0282 administered by Flathead County for the period September, 1985 through June, 1986. Our examination was made in accordance with generally accepted auditing standards, Standards for Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants, and Standards for Audit of Governmental Organizations, Programs, Activities and Functions issued by the Comptroller General of the United States. Accordingly, our examination included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statement referred to above presents fairly the revenue and expenditures of Montana Coal Board Grant No. 0282 for the period from September, 1985 through June, 1986, in conformity with generally accepted accounting principles.

Anderson ZuerMuehlen & Co., P.C.

Billings, Montana
December 3, 1986

MONTANA COAL BOARD
FLATHEAD COUNTY
CABIN CREEK COAL MINE STUDY
GRANT NO. 0282
SPECIAL REVENUE FUND
STATEMENT OF REVENUE AND EXPENDITURES
For the period from September, 1985 through June, 1986

=====

REVENUE

Montana Coal Board Grant	\$ 50,044
--------------------------	-----------

EXPENDITURES

Salaries, consulting, travel, and benefits	<u>50,044</u>
---	---------------

EXCESS REVENUE OVER EXPENDITURES	<u>\$ -0-</u>
----------------------------------	---------------

The Notes to Financial Statement are an integral
part of this statement.

MONTANA COAL BOARD
FLATHEAD COUNTY
CABIN CREEK COAL MINE STUDY
GRANT NO. 0282
SPECIAL REVENUE FUND
NOTES TO FINANCIAL STATEMENT
For the Period from September, 1985 through June, 1986

NOTE 1. PURPOSE

This grant provided funds for a two year study on the characterization of suspended sediment and baseline conditions related to the proposed Cabin Creek Mine in the headwaters of the North Fork of the Flathead.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statement has been prepared on the accrual basis.

Fund Classification

The Coal Board grant is accounted for through a special revenue fund. A special revenue fund is used to account for revenues received from specific taxes or other earmarked revenue sources to finance particular functions or activities.

The Legislative Audit Committee
of the Montana State Legislature
and
The Montana Coal Board

We have examined the statement of revenue and expenditures of Montana Coal Board Grant No. 0283 administered by Richland County for the period from August, 1985 through April, 1986. Our examination was made in accordance with generally accepted auditing standards, Standards for Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants, and Standards for Audit of Governmental Organizations, Programs, Activities and Functions issued by the Comptroller General of the United States. Accordingly, our examination included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statement referred to above presents fairly the revenue and expenditures of Montana Coal Board Grant No. 0283 for the period from August, 1985 through April, 1986, in conformity with generally accepted accounting principles.

Anderson JurMuehlen & Co., A.C.

Billings, Montana
December 3, 1986

MONTANA COAL BOARD
RICHLAND COUNTY
MULTI-PURPOSE BUILDING
GRANT NO. 0283
SPECIAL REVENUE FUND
STATEMENT OF REVENUE AND EXPENDITURES
For the period from August, 1985 through April, 1986

=====

REVENUE

Montana Coal Board Grant	\$ 25,000
--------------------------	-----------

EXPENDITURES

Capital outlay - Multi-purpose building	<u>25,000</u>
--	---------------

EXCESS REVENUE OVER EXPENDITURES	<u>\$ -0-</u>
----------------------------------	---------------

The Notes to Financial Statement are an integral
part of this statement.

MONTANA COAL BOARD
RICHLAND COUNTY
MULTI-PURPOSE BUILDING
GRANT NO. 0283
SPECIAL REVENUE FUND
NOTES TO FINANCIAL STATEMENT
For the Period from August, 1985 through April, 1986

NOTE 1. PURPOSE

This grant provided funds for construction of a multi-purpose building for the residents of Savage, Montana.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statement has been prepared on the accrual basis.

Fund Classification

The Coal Board grant has been accounted for through a special revenue fund. A special revenue fund is used to account for revenues received from specific taxes or other earmarked revenue sources to finance particular functions or activities.

COLSTRIP PUBLIC SCHOOLS

January 22, 1987

RECEIVED
ANDERSON ZURMUEHLEN & CO., P.C.

JAN 22 1987

FILED
JAN 22 1987
FBI - BILLINGS

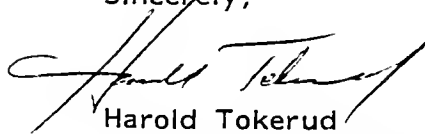
Anderson ZurMuehlen & Co., P.C.
410 North Broadway
Billings, Montana 59101

Re: Coal Board Grant: 002 & 003

The recent audit of the above referenced grants indicated that the coal board did not receive a report verifying the issuance of payment to the bonding company. The school district failed to instruct the County Treasurer to report such payments to the bonding company to the Coal Board.

The School District will comply with grant reporting provisions on future Coal Board grants on a timely basis.

Sincerely,



Harold Tokerud
Superintendent of Schools
School District #19

HT/es

City of Forsyth

State of Montana

P.O. Box 226
Forsyth, Montana 59327
(406)356-2521

OFFICE OF: City Clerk

January 21, 1987

RECEIVED
ANDERSON ZURMUEHLEN & CO., P.C.

JAN 2 1987

Suzanne M. Severin, CFA
Anderson Zurmuehlen & Co., P.C.
410 North Broadway
Billings, MT 59101

SENT _____ 19____ FILE _____
FILE ☐ DO NOT TACK ☐ CIRCULATE

RE: Audit of Montana Coal Board
Grants #0180 and #0237

Dear Suzanne:

Please find enclosed the signed originals of the representation letters for the above Coal Board projects.

While I do concur with your recommendation that a segregated fund should have been used to enable a clear audit trail of the receipts, expenditures and local effort; I do not feel that the use of separate line items and a recap worksheet in any way made the administration or reporting of the use of these funds difficult to follow.

In response to the comments on Grant #0180, I have given you evidence of the City's willingness to accept the Coal Board's denial of the request to reallocate the grant funds and our intention to use our trust investment earnings to cover the \$ 47,948.20 excess amount of bid over the Coal Board allocation for the lateral replacements. We have discussed the miscommunication between my office and the Coal Board on reporting this portion of the grant. I am enclosing a copy of the contract amendment approved by the Coal Board to bring the grant up to the full amount of funds already spent.

We would ask that the Coal Board consider approving an amendment of the lateral replacement phase of the project, as we have already obligated the interest earnings pledged for the local effort of replacing all the other lateral lines, as required by the grant. If we are asked to refund the overpayment sum, we will have already spent the funds pledged for like kind construction. The end result will have been the same, the lateral lines will have been improved.

The possible refund of this overpayment of Coal Board funds will devastate our reserves for future improvements and will require additional sewer rate increases. We have just completed our fourth consecutive rate increase and the refund would take all of this and more.

Please contact me when you have had time to review this, so that we can schedule a time for your exit conference.

Sincerely,
Daniel D. Watson
Daniel D. Watson, CMC
City Clerk

Enclosure
cc: City Officials

LODGE GRASS PUBLIC SCHOOLS

DISTRICTS NO. 2 & 27

LODGE GRASS, MONTANA 59050-0559

Phone 406-639-2385

RECEIVED
ANDERSON ZURMUEHLEN & CO., P.C.

JAN 2 1987

January 22, 1987

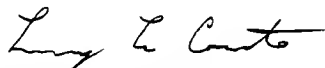
SENT _____ TO _____ FILE _____
DATE ☐ DO NOT TACK ☐ CIRCULATE

Suzanne Severin
Anderson Zurmuehlen & Co., P.C.
Certified Public Accountants
410 North Broadway
Billings, MT 59101

Dear Ms. Severin

I have received, reviewed, and concur with the audit reports and subsequent recommendations on Coal Board grants 0210 and 0233 conducted by Anderson Zurmuehlen & Co., P.C.

Sincerely,



Larry LaCounte
Superintendent
Lodge Grass Public Schools

COUNTY OF DANIELS

GRANT NO. 0241 Water Monitoring Program

1. The grantee did not monitor and notify the Coal Board when project costs varied from the budget by greater than 10%.

We recommend the grantee comply with grant reporting provisions. All reports should be filed with the Coal Board on a timely basis.

We also recommend the Coal Board require grantees to submit a budget-to-actual cost analysis with each payment request. Payments would be withheld until receipt of such report.

2. This grant specified grant awards to be made on a cost basis of monthly billings to the Coal Board. The grant was awarded to the grantee prior to the incurrance of applicable program expenses.

We recommend the grantee comply with grant provisions for requesting funds by submitting monthly billings to the Coal Board of actual costs incurred with each request for payment.

We recommend the Coal Board amend grant 0241, to reflect the actual method of 'pre-funding' used by the Coal Board.

3. A completion report was filed by the grantee prior to disbursing all project funds.

We recommend the grantee file completion reports only when the entire grant has been expended. Any unexpended funds should be refunded to the Coal Board.

DISBURSED

It is recommended that the grant be amended to require the grantee to submit a completion report only when the entire grant has been expended. Any unexpended funds should be refunded to the Coal Board.

COMMUNITY DEVELOPMENT BLOCK GRANT
Northern Cheyenne Tribe, Inc.
P. O. Box 128
Lame Deer, Montana 59043
406-477-6284, Ext. 214



January 26, 1987

Ms. Suzanne M. Severin, CPA
410 North Broadway
Billings, Montana 59101

Dear Ms. Severin:

I am responding to comment on Grant No. 0243 Community Center Item #1.

My Program, the Community Development Block Grant, administered the Montana Coal Board funds along with the Burlington Northern Foundation, the Dept. of HUD, and the Northern Cheyenne Tribe funds to construct the Community Recreation Center in Lame Deer. The Montana Coal Board invoices for materials at the jobsite were first channeled through Mike Stevenson, Stevenson Design, for approval before he submitted them to the Coal Board Administration. We did not submit the invoices directly to the Coal Board. This type of request for payment from the Coal Board, created extra paperwork and therefore, the monitoring suffered. I would have preferred to send the reports and requests for payment to the Coal Board in a timely manner.

Sincerely,

Diana R. McLean, Administrator
CDBG Program

cc: CDBG/MCB

COUNTY COMMISSIONERS
HENRY DECOCK, Chairman
DICK WOELICH, Member
MORRIS SPANNAGEL, Member

Telephone — 342-5547

SALLY VANHEMELRYCK
County Clerk and Recorder/
Clerk of District Court

OFFICE OF

County Clerk & Recorder
OF TREASURE COUNTY

P.O. Box 392
HYSHAM, MONTANA 59038

RECEIVED
JAN 23 1987
JAN 23 1987
JAN 23 1987

JAN 23 1987
JAN 23 1987
JAN 23 1987

January 23rd, 1987

Anderson, Zurmuehlen & Co., P.C.
Suzanne M. Severin, CPA
410 North Broadway
Billings, MT 59101

RE: Montana Coal Board Grant No. 0256

Please be advised that the Treasure County Board of County Commissioners reviewed your audit report for Grant #0256 at their meeting on January 15th, 1987.

The Board had no further questions concerning the report. Your recommendation to record each Coal Board Grant awarded in a separate revenue fund will be adopted.

Sincerely,

Sally VanHemelryck
Sally VanHemelryck
County Clerk & Recorder
Treasure County

County of Yellowstone



FINANCE

RECEIVED
ANDERSON ZURMUEHLEN & CO., P.C.

JAN 1 1987

(406) 256-2777

Box 35000
Billings, MT 59107

January 14, 1987

SENT _____ TO _____ FILE _____
BY _____ DATE _____

Suzanne M. Severin, CPA
Anderson Zurmuehlen & Company, P.C.
Certified Public Accountants
410 North Broadway
Billings, MT 59101

RE: Response to Audit Finding, Montana Coal Board Grant
Number 0257

Finding:

The grantee accounted for the project in a capital project fund, however, Coal Board funds pertaining to the project were not segregated from other project funds as required by the Coal Board.

We recommend the grantee account for future Coal Board grants separately from other project funds.

Response:

We concur. Although the County did not maintain a separate accounting via establishing a separate and distinct fund specifically entitled "Coal Board Grant - County Jail", we did report the activity, revenues and expenditures, within our Capital Project Fund, entitled County Jail. The Coal Board Revenues were individually identified by our intergovernmental line item entitled Coal Board Grant. The expenditures from this fund, were solely for costs associated with the construction of the facility. Since the total costs expended through June 30, 1986, far exceeded the proceeds from the Coal Board Grant, one could only assume that Coal Board proceeds were used exclusively for that purpose.

Sincerely,

Jerry S. Thomas
Jerry S. Thomas
Finance Director

ROSEBUD CONSERVATION DISTRICT

FORSYTH, MONTANA 59327

January 22, 1987

RECEIVED
ANDERSON ZURMUEHLEN & CO., P.C.

JAN 22 1987

Anderson Zurmuehlen & Co., P.C.
410 North Broadway
Billings, Mt. 59101

FILE _____ TO _____ FILE _____
YES ☐ NO ☐ NOT TACK ☐ CIRCULATE

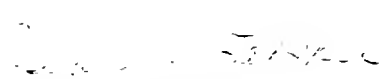
RE: Coal Board Grant #0261

We received your report on the audit of our financial records of the Coal Board Grant for the water monitoring project in Rosebud and Big Horn Counties.

The only question is on the recommendation to utilize a special revenue fund for future grants for this project. It is understandable, in most cases, but where we only are dealing with 6 or 7 checks in a year's time, it seems inconvenient to have to set up the special fund and order the warrants (50 minimum). As you know, we receive an invoice from the Montana Schools of Mineral Science & Geology, review it at the district's regular meeting, forward it to the Coal Board, who, in turn, remits a check to the County. We then issue this amount to the School. If there is a way to by-pass the special revenue fund, it would be appreciated.

We do thank you for your considerate manner in conducting the audit, and ask that you call if you have any questions concerning this grant.

Sincerely,

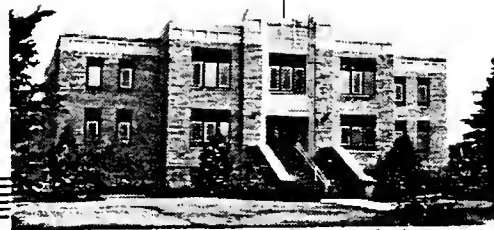

Jeanne LaBree
Administrative Secretary

cc: Murdo Campbell, Coal Board

BIG HORN COUNTY

BOARD OF COMMISSIONERS
DRAWER H

HARDIN, MONTANA 59034



RECEIVED
ANDERSON, ZURMUEHLEN & CO., P.C.

JAN 26 1987

SENT _____ TO _____ FILE _____
☐ FILE ☐ INLET BACK ☐ CIRCULATE

January 26, 1987

Anderson, ZurMuehlen & Co., P.C.
410 North Broadway
Billings, MT 59101

ATTN: Suzanne M. Severin, CPA

RE: Montana Coal Board Grant No. 0263

Dear Ms. Severin:

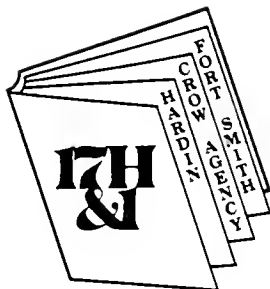
This is to acknowledge receipt of a copy of your audit report with regard to the above-entitled project.

We have reviewed the report and concur with your recommendations.

Very truly yours,

BOARD OF COMMISSIONERS
BIG HORN COUNTY, MONTANA

Alvin K. Torske
Chairman



Hardin Public Schools

ELEMENTARY DISTRICT NO. 17H & HIGH SCHOOL DISTRICT NO. 1

522 North Center Avenue
Hardin, Montana 59034

Big Horn County
☎ (406) 665-1304

January 29, 1987

Anderson ZurMuehlen & Co., P.C.
410 North Broadway
Billings, MT 59101

Re: Montana Coal Board Grant No. 0264

The following are actions that we have taken or plan to take on the audit of Grant No. 0264.

1. The district has implemented the auditors recommendations on approval of claims.
2. The district will implement the auditors recommendation on amendments to the grant.
3. The district will implement the auditors recommendation on requests for funds.

Sincerely,

DANIEL T. LAUBACH
Business Manager

RECEIVED
ANDERSON & CO., P.C.

JAN 28 1987

FILE ☐ DO NOT TACK ☐ CIRCULATE

January 27, 1987

Ms. Suzanne M. Severin
Anderson, Zurmuehlen & Co., P.C.
410 North Broadway
Billings, MT 59101

Re: Montana Coal Board Grant #0266

In response to your recommendations, I offer the following explanations:

- 1) Because of a turnover in key administrative personnel, I was not aware of this stipulation in the Grant. I do agree with the recommendations as stated.
- 2) I did account for the Coal Board funds in a special revenue account and it was segregated from other project funds.

Sincerely,

Phillip Hammond, Business Officer

PH/lm

Powder River County

Karen D. Amende
Clerk and Recorder

P.O. Box J
Broadus, Montana 59317

Telephone
406-436-2361

RECEIVED
JAN 22 1987
CLERK & REC'D

JAN 22 1987

January 22, 1987

CLERK & REC'D
JAN 22 1987

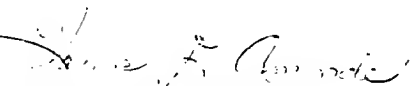
Anderson Zummuehlen & Co., P.C.
410 North Broadway
Billings, MT. 59101

Attn: Suzanne M. Severin

Dear Suzanne:

This is to acknowledge that we have received a copy of your audit of our Coal Board Grant No. 0272, including the comments and recommendations. If any future coal board grants are received, we will abide by the recommendations.

Sincerely,



Karen D. Amende,
Clerk and Recorder

KDA:crc

STATE
OF
MONTANA
DEPARTMENT OF JUSTICE

CRIMINAL INVESTIGATION BUREAU

303 Roberts, Helena, Montana 59620 (406) 444-2769

February 9, 1987

RECEIVED
ANDERSON ZURMUEHLEN & CO., P.C.

1 1987

SENT _____ TO _____ FILE _____
FILE _____ DO NOT TACKLE _____ CIRCULATE _____

Suzanne M. Severin, CPA
Anderson Zurmuehlen and Co., P.C.
410 North Broadway
Billings, MT. 59101

Dear Ms. Severin:

I am writing regarding your requested response to two (2) recommendations noted in your letter re: Montana Coal Board Grant No. 0279, dated 1/13/87.

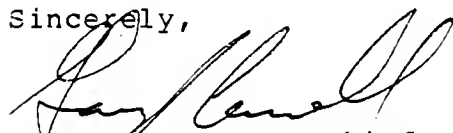
The first recommendation was that the grantee comply with grant provisions for requesting funds by submitting monthly billings to the Coal Board of actual costs incurred with each request for payment.

The Montana Legislature normally does not authorize expenditure of funds before they are received. I believe it is unlikely that the Montana Legislature would authorize expenditure of funds by the Criminal Investigation Bureau prior to receiving them from the Eastern Coal Counties Task Force.

The second recommendation was that the grantee monitor and notify the Coal Board when project costs vary from the budget by greater than 10%.

The Criminal Investigation Bureau of the Montana Department of Justice, which operates this project for the Eastern Coal Counties Task Force, normally is required to obtain authorization if expenditures vary by greater than 10% in first line budget categories (Personnel, Operational, Equipment). This subject was a matter of discussion at a previous Coal Board meeting and we were advised to request authorization if expenditures varied by greater than 10% in those three (3) first line budget categories.

Sincerely,



GARY J. CARRELL, Chief
Criminal Investigation Bureau

cc: Gary Fjelstad, Chairman, Eastern Coal Co. Task Force
Montana Coal Board

Flathead County

Board of Commissioners

800 SOUTH MAIN STREET

KALISPELL, MONTANA 59901

(406) 755-5300

January 16, 1987

Ms. Suzanne M. Severin, CPA
Anderson Zurmuehlen & Co., P.C.
410 North Broadway
Billings, Montana 59101

Dear Ms. Severin:

Thank you for sending us a working draft of your audit and the accompanying comments. I will respond to the comment at this time.

I have discussed the possibility of overexpending of line items with Mr. John Dunstan of the School of Mines in Butte and have requested that they review and reissue the previous invoices in the same format as they presented their budget for the grant. This should give us a better idea as to whether or not any of the individual line items are overexpended at this time. If they are, we will immediately request a budget amendment to bring everything into proper perspective.

I have also advised Mr. Dunstan and Mr. Roger Noble that we will be unable to make any further payments on this grant unless all future invoices are submitted on the line item basis as well as the previous invoices being revised.

Mr. Noble advised that he has been in contact with Mr. Dunstan and Mr. Murdo Campbell regarding this matter and they are in the process of making the revisions. He also advised that they will be submitting a request for budget amendment as it does appear that the travel budget will be in excess of the original estimate.

We will be watching the invoicing more closely in the future.

Thank you for your consideration.

Very truly yours,
OFFICE OF FLATHEAD COUNTY
BOARD OF COMMISSIONERS



Earl W. Bennett
Administrative Assistant

Richland County Planning Board

P.O. Box 1011
Sidney, Montana 59270

Sharon Haugen
Planning Director
(406) 482-4340

D'ette Marker
Administrative Assistant

RECEIVED
ANDERSON ZURMUEHLEN & CO., P.C.
JAN 23 1987
BILLINGS, MONTANA

City-County Board

Dwayne Hayden
Chairman

Larry Ballantyne
Vice Chairman

County Board

Dwayne Hayden
Chairman

Larry Ballantyne
Vice Chairman

January 23, 1987

Ms. Suzanne Severin
Anderson Zurmuehlen & Co., P.C.
410 North Broadway
Billings, MT 59101

Dear Ms. Severin

We have reviewed the report and the recommendations of the audit report done by your firm for the Coal Board Grant No. 0283 used for the Savage multi-purpose building. We basically concur with the findings of the report and the recommendations contained within it.

Sincerely,



Sharon Haugen
Planning Director

DEPARTMENT OF COMMERCE
LOCAL GOVERNMENT ASSISTANCE DIVISION



TELEPHONE NUMBER

COGSWELL BUILDING—ROOM C 211
CAPITOL STATION

STATE OF MONTANA

406 444 3757

HELENA, MONTANA 59620

March 13, 1987

Office of the Legislative Auditor
State Capitol Building
Helena, Montana 59620

Gentlemen:

Attached for your use is the official written response on behalf of the members of the Montana Coal Board relative to the recently completed financial compliance audit of Coal Board grants. This audit was conducted under contract by Anderson ZurMuehlen and Company of Helena, Montana.

Sincerely,

A handwritten signature in cursive script, reading "Murdo A. Campbell", is written over the typed name.

Murdo A. Campbell
Administrative Officer
Montana Coal Board

Encl.

RECEIVED
ANDERSON ZURMUEHLEN & CO., P.C.

MAR 1 1987

CLIENT # _____ 17 _____ FILE _____
☐ FILE ☐ DO NOT TRACK ☐ CIRCULATE

2-14-87
g

RECOMMENDATION NO. 1

We recommend the grantees account for future Coal Board grants separately by using a special revenue fund as required by the Coal Board.

The Montana Coal Board concurs with this recommendation and will stress this contract requirement to all future grantees.

RECOMMENDATION NO. 2

We recommend the grantee establish procedures to insure that all claims submitted for payment have proper approval prior to payment. Approval should be written.

The Montana Coal Board concurs with this recommendation.

RECOMMENDATION NO. 3

We recommend the grantee account for each Coal Board grant awarded in a separate revenue fund.

The Montana Coal Board concurs with this recommendation.

RECOMMENDATION NO. 4

We recommend the Coal Board amend grant No. 0268 to delete the 'attachment'

The Montana Coal Board concurs with this recommendation and has amended the grant to delete the attachment.

RECOMMENDATION NO. 5

We recommend the grantee comply with grant reporting provisions. We also recommend the Coal Board enforce grant reporting provisions by requiring the receipt of each report prior to disbursement of funds.

The Montana Coal Board concurs with this recommendation and has implemented a retainage fee system to insure grantees comply with reporting requirements.

RECOMMENDATION NO. 6

We recommend grantees comply with grant reporting provisions. We also recommend the Coal Board require grantees to submit a budget-to-actual cost analysis with each payment request. Payments should be withheld until receipt

of such report.

The Montana Coal Board concurs with this recommendation and will require grantees to submit budget-to-actual cost analysis on each grant requiring more than a single payment. The Board has implemented a retainage fee system to insure grantees comply with reporting requirements.

RECOMMENDATION NO. 7

We recommend the grantees comply with grant provisions for requesting funds by submitting monthly billings to the Coal Board of actual costs incurred with each request for payment. We recommend the Coal Board amend grant Nos. 0241, 0279 and 0264 to reflect the actual method of 'pre-funding' used by the Coal Board.

The Montana Coal Board concurs with this recommendation and has amended Grant Nos. 0241, 0279 and 0264 to reflect the actual pre-funding method used by the Coal Board in administering these grants.

RECOMMENDATION NO. 8

We recommend the grantee file completion reports only when the entire grant has been expended. Any unexpended funds should be refunded to the Coal Board.

The Montana Coal Board concurs with this recommendation and notes that all funds were expended on grant 0241 once the final claim was received within two weeks after receipt of the completion report.

RECOMMENDATION NO. 9

We recommend the grantees account for future Coal Board grants separately from other project funds.

The Montana Coal Board concurs with this recommendation and will insure that all future grantees segregate Coal Board funds from other project funds.

RECOMMENDATION NO. 10

We recommend the grantee obtain written approval from the Coal Board to support any changes made to the original grant. We also recommend the Coal Board amend grant No. 0180 to reflect the change in the funds used for each phase of the project.

The Montana Coal Board concurs with this recommendation and will amend the contract to reflect the change in funds used for each phase of the project. The Coal Board has also requested the City of Forsyth reimburse the Local Impact and Education Trust Fund Account in the amount of \$47,948.20, payable over the next three years, which represents the overpayment on the lateral replacement phase of the project.

RECOMMENDATION NO. 11

We recommend the Coal Board review all completed grant files to insure all required reports have been received.

The Montana Coal Board concurs with this recommendation and is in the process of reviewing all completed grant files to insure all required reports have been received.

RECOMMENDATION NO. 12

We recommend completed grants be contracted for audit as soon as possible after the completion date.

The Montana Coal Board concurs with this recommendation.

RECOMMENDATION NO. 13

We recommend the Coal Board establish a file 'checklist' of all documents required for the project. This 'checklist' should be monitored to insure that project files are complete.

The Montana Coal Board concurs with this recommendation and has established a project checklist which will be monitored throughout each fiscal year.

RECOMMENDATION NO. 14

We recommend the total grant awarded include amounts carried over from prior grants and the carryover amount be specified on the disbursement schedule.

The Montana Coal Board concurs with this recommendation.

A handwritten signature in cursive script, reading "Hershel M. Robbins". The signature is written in dark ink and is positioned above the printed name and title.

HERSHEL M. ROBBINS, CHAIRMAN
MONTANA COAL BOARD

